

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
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Salt Lake City, Utah 84114-5801
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ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/04 To (mo./yr.) 12/04
2. DOGM File Number (Mine No.): 521700196
3. Mine Name: Fantasy
4. Mineral(s) Mined (or permitted to mine): Jasper
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected): no change
____ 1/4, ____ 1/4, ____ 1/4, Section ____ Township ____ Range ____
____ 1/4, ____ 1/4, ____ 1/4, Section ____ Township ____ Range ____
____ 1/4, ____ 1/4, ____ 1/4, Section ____ Township ____ Range ____
7. Name of Operator or Company: Penney's Gemstones LLC
8. Permanent Street Address: 2400 East 30 South
City, State, Zip: Beaver UT 84713
Phone: (435) 438-5522 Fax: (435) 438-2555
9. Company Representative (or designated operator):
Name: David Penney
Title: owner/operator/registered agent
Business Address: 2400 E 30 S
City, State, Zip: same as above
Phone: _____ Fax: _____
Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? 2 tons

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4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
Normal operations minimal surface disturbance and some reclamation
5. How much additional acreage was disturbed during the past year? minimal
6. How much acreage was reclaimed during the past year? some
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
contoured the land to blend with natural topography by using equipment
8. What is the total disturbed acreage of entire project at years end? see BLM records
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Reclamation : mining will be continuous.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information - R647-4-121.2 and .3

1. The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print).

Title of Operator:

Signature of Operator:

Date:

David Penney
owner/registered agent
[Signature]
1-12-05